DATE : February 14, 2002

LETTER TO: All Medicare+Choice Organizations (M+COs)

SUBJECT : Follow up on the Implementation of the Beneficiary Election Provisions-

Plan Benefit Package (PBP) Election Start-Up and Reporting
Requirements—**ACTION**

Last year we notified you regarding the processing of beneficiary elections in two
instructional letters. One letter covered the revised election transactions (dated April 25,
2001) and one letter covered the revised reports (dated July 18, 2001). They can be
downloaded from the web site:
WWW.HCFA.GOV/MEDICARE/SYSTINFO.HTM.

This follow-up letter provides additional clarification to you regarding the;

- PBP election start-up process and
- Related transaction reply codes.

PBP Election Start-up Process

In mid-May 2002, the enrollment system will assign the same PBP # to each M+C
member in your contract (H number) with an effective date of June 1, 2002. The number
assigned will be the PBP # with the highest projected enrollment for your M+CO (as
reported in your ACR to the Health Plan Management System). If the assigned PBP # is
not accurate for a given member, you must submit a transaction type 71 to enroll the
member in the correct PBP.

The assigned PBP # for each of your members will be reported to you on the June 1,
2002 monthly membership report. **You will have from June 1, 2002 – July 12, 2002 to
submit the correct PBP # for your members who are enrolled in a different PBP
then the one CMS assigned.**

Submit PBP change transactions **only** for your members that CMS has assigned the wrong PBP #. Submittal of transactions for members already in the correct PBP will lengthen monthly enrollment/payment processing and may result in unintended data errors. If a transaction is received for a member already in the correct PBP, CMS will reject it with a reply code of 109 (see next section) as a duplicate. However, especially for older members, erroneous system records could be created in cases where the claim number or other identifying information has changed. Such situations may cause unintended future processing errors.

All M+COs will be submitting these corrections during the same timeframe that they are enrolling/disenrolling members. Please follow the instructions below to avoid rejections.

- To **correct** the PBP # for your current members (based on the information provided on the June 2002 MMR), submit Transaction Type 71, with Election Type = X, an Effective Date of 6/1/2002 and the correct PBP#.

- To **change** the PBP # for current members (as a separate election; not based on the information provided on the June 2002 MMR), submit Transaction Type 71 with the appropriate Effective Date, Election Type and PBP#.

- To **enroll** new members, submit Transaction Type 61 or 60 with the appropriate Effective Date, Election Type and PBP #.

- To **disenroll** members, submit Transaction Type 51 with the appropriate Effective Date and Election Type. (Note that PBP# is not required on a disenrollment).

Related Transaction Reply Codes

As previously reported to you, additional transaction reply codes will be required to reflect the results of PBP-level processing. They are summarized in the following table.

#	Title	Notes
100	Election Change Accepted as Submitted	Code is for transaction types 71 only.
101	Rejected; Invalid Institutional Flag	Code is for transaction types 71/61/60/51. Must be Y or spaces.
102	Rejected; Invalid or Missing Application Signature Date	Code is for transaction types 71/61/60.
103	Transaction Orbiting; ICEP Election with Missing A/B Entitlement Date	Code is for transaction type 61 and election type I only, orbit is 3 months maximum. **Future enhancement.**

104	Rejected; Invalid or Missing Election Type	Code is for transaction types 71/61/60/51 and election types A, I, N, S, O; except that I is not valid for 51 or 71.
105	Rejected; Invalid Effective Date for Election Type	Code is for transaction types 71/61/60/51; applies only to election types I and A.
106	Rejected; Another Transaction Received with a Later Application Signature Date	Code is for transaction types 71/61/60.
107	Rejected; Invalid or Missing PBP #	Code is for transaction types 71/61/60; not applicable for 51
108	Rejected; Election Limits Exceeded	Code is for transaction types 71/61/60/51 and election types OEP and OEPNEW.
109	Rejected; Duplicate PBP	Code is for transaction type 71; bene already in PBP

Please note that input of a PBP # is **not** required on a disenrollment transaction. Also, note that code 103 – Transaction Orbiting, is included for your information only. It is not being implemented at this time. CMS intends to facilitate processing for M+COs in situations where Part A and B entitlement dates are not yet present on CMS systems at the time an enrollment transaction is received. In most cases, M+COs will not resubmit these transactions. When an ICEP election is received, the managed care system will attempt to process it for up to 3 months. It is believed that within the 3-month timeframe, the majority of Medicare entitlement information is updated to CMS systems for new enrollees. Further information regarding this process and its implementation timeframe will be relayed to you at a later date.

Contact Information

If you have any questions concerning the material contained in this letter, please contact the Central Office staff person assigned to the region in which your M+CO is located.

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Sincerely,

/s/

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